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UNCLAS SECTION 01 OF 02 TEL AVIV 003973

SIPDIS

E.O. 12958: N/A

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SUBJECT: GOI VISION FOR GALILEE AND THE NEGEV, A TRIP BACK  
IN TIME

REF: A. 04 TEL AVIV 02901

[B.](#) 04 TEL AVIV 03085

[C.](#) 04 TEL AVIV 03393

[D.](#) 05 TEL AVIV 02537

[E.](#) 05 TEL AVIV 02540

[¶11.](#) (SBU) SUMMARY: As the GOI moves to develop its strategic policy plans for the Negev and the Galilee a closer look at the failures of the past efforts is instructive. The three plans - the National Outline Plan 31 (1990) which served to find ways to absorb immigration from Soviet Union and Ethiopia, Israel 2020 Master Plan (1996) which was designed to promote population growth for the region in general, and National Outline Plan 35 (1997) which aimed to develop the Negev by introducing infrastructure and settlements all shared common shortcomings. These plans failed to materialize due to a lack of funding caused by resource allocation to the territories and the inability of ministries to coordinate effectively. END SUMMARY.

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Three National Plans  
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[¶12.](#) (SBU) Over the last 15 years, the GOI developed three national development plans: National Outline Plan 31, the Israel 2020 Master Plan, and National Outline Plan 35. The Center for Research and Development in the north, which studies social issues related to employment and population growth, indicated that although these plans were national in nature, focus was primarily on the Negev. This focus was centered on population migration and expansion from central Israel, southward.

[¶13.](#) (SBU) National Outline Plan 31 was put together at the end of the 1980's - early 1990's in order to assess the development and construction necessary to quickly absorb the mass immigration of immigrants from the former Soviet Union and Ethiopia. Contacts at the Negev Center for Research and Development at Ben Gurion University indicate that many of these immigrants went to, and still remain in the Negev.

[¶14.](#) (SBU) The Israel 2020 Master Plan was put together in 1990's and is a long range plan focusing on developing Israel over the next 20 - 30 years. The plan focuses on reinforcing and increasing the population in the Galilee and the Negev. The 2020 plan takes into account expected population growth, and calls for a balanced dispersal of population in the Be'er Sheva and Galilee regions. This plan could be considered a demographic plan, addressing a need to increase Jewish communities.

[¶15.](#) (SBU) National Outline Plan 35 is still waiting government approval. It calls for developing the Negev, in particular the Be'er Sheva region, as a major metropolitan area. Investment in transportation development, including trains, in order to bring the peripheral areas closer to the center is a major component of the plan. Development of regional employment centers, growth of rural areas, and developing peripheral areas highlight GOI desire to expand into the Galilee and Negev regions. Environmental issues are also addressed in this last plan.

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Drawer Full of Plans, Success or Failure?  
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[¶16.](#) (SBU) In spite of the fact that various plans have been conceived, planned, and discussed, overall execution has not been successful. According to a 1999 GOI report, every existing plan regarding the Negev remained in the planning stage, and was not implemented. These plans were comprehensive, but they lacked national implementation. Plans talked about the establishment of an industrial area in the Negev, without providing solutions as to how to attract industry there. The most recent GOI evaluation published May 2005 echoed a similar theme that planning lacked a successful employment scheme and was destined to fail.

[¶17.](#) (SBU) Regarding the Galilee, Ministry of Interior research shows that due to a lack of resources companies were unwilling to migrate to the north and vital employment generation never materialized. GOI reports say that the government decisions to establish settlements between 1997 - 2003 did not take employment generation into account. They

also say that the government and planning authorities were not dealing with the economic, social, planning, and environmental implications of adding more than 35 new and renewed settlements in the Negev and more than 20 in the Galilee region. Another criticism is that the government did not properly coordinate its planning with the regional councils before making decisions.

18. (SBU) Uri Keidar of the Haifa and Northern District office, who deals with economic issues for the Galilee region, said that in the past, there was an interest in developing and expanding industries in Galilee, but that lack of money and the second Intifada affected the region's economic development. Keidar said that GOI investment grants to the Galilee region went from 38% to 24%, when Sharon first became Prime Minister and note that when grants for investment are low, it is not worthwhile for investors because transportation costs remain high. They said in the past the budget for development infrastructure was around 430 million shekels a year. The 2005 budget has cut this amount to 43 million shekels. The GOI has no five, ten, or 15 year plan for development in the Galilee, said Keider, since each ministry sees its own interests. Although the 2005 budget includes a government decision to develop the Galilee region, no money has actually been allocated, he said.

19. (SBU) Chaim Fialkoff, senior Director General from the planning and coordination office in the Ministry of Construction and Housing said the main reasons why the Galilee and the Negev plans were not fruitful in the past is because of historic resource allocation to the territories, especially Gaza redeployment. He said lack of coordination between ministries responsible for developing the Galilee and the Negev was another factor. Fialkoff also indicated that the disengagement from Gaza was now providing an opportunity, allowing the GOI to focus on developing the Galilee and the Negev.

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New Momentum  
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10. (SBU) In October 2004, a conference was held on developing the Negev, with the result a concept called the "New Israel in the Negev" Plan. The idea is that the Negev become an area that is able to attract people, with the aim of doubling the population in the area by 2020. This was the first precursor to a session devoted to the Negev development at the annual Herzliya conference in December of 2004. In March 2005, the planning process for the Negev and the Galilee development was approved by GOI. In April, planning process was initiated by GOI and Daroma, a private company contracted to assist the GOI in its efforts to plan for the Negev development (septel). Daroma and GOI ministerial teams are tasked to integrate various educational, infrastructure, settlement, housing, and Bedouin plans as part of the grand plan to develop the Negev.

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